

INITIATIVE 923

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 923 to the People is a true and correct copy as it was received by this office.

1 AN ACT Relating to the creation of a universal health care system;
2 amending RCW 43.17.010 and 42.17.2401; reenacting and amending RCW
3 43.17.020; adding a new section to chapter 41.06 RCW; adding a new
4 chapter to Title 43 RCW; and prescribing penalties.

5 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The definitions in this section apply
7 throughout this chapter unless the context clearly requires otherwise.

8 (1) "Universal health care" means a publicly funded and
9 administered single-payer system that provides and guarantees health
10 coverage without premiums or deductibles to all citizens, and with no
11 copays for low-income citizens.

12 (2) "Premium" means a periodic fee, typically monthly, that is paid
13 in exchange for some type of insurance coverage.

14 (3) "Deductible" means a required out-of-pocket expenditure that
15 must be paid by an insured individual before the insurer pays towards
16 the allowable charges for a covered service.

17 (4) "Copay" means the amount an insured individual is expected to
18 pay for a medical expense at the time of the visit or purchase.

19 (5) "Department" means the department of universal health care.

(6) "Director" means the director of universal health care.

NEW SECTION. **Sec. 2.** Every legal resident of the state of Washington is entitled to the basic human right of receiving necessary, quality health care regardless of his or her financial status.

NEW SECTION. **Sec. 3.** A system of universal health care is hereby established in the state of Washington. This system is designed to provide full access to health care for all legal residents of the state of Washington. Financial status, including an inability to pay, shall not be used as a means of denying access to this basic human right. This applies to medical services as well as prescription drugs. Anyone who is a legal resident of the state of Washington is eligible, provided that the service or product is medically necessary for the individual to remain healthy and reasonably free from pain and suffering, both mental and physical, and provided that the service or product is being provided to the patient within the state of Washington. All medical service providers in the state of Washington are required to participate in universal health care billing for any patient who requests it and they must keep an adequate number of universal health care application forms on hand. A patient cannot be denied service if a medical service provider fails to provide a universal health care application in a timely fashion.

NEW SECTION. **Sec. 4.** There is created a department of state government to be known as the department of universal health care. The department is vested with all powers and duties granted it under this chapter and such other powers and duties as may be authorized by law.

NEW SECTION. **Sec. 5.** The system of universal health care shall be managed by the department. The department is responsible for processing and verifying all universal health care application forms, sending payment to medical service providers and pharmacies for services rendered, billing higher income patients for copays, coordinating with medical service providers and other state agencies in preventing and investigating fraudulent universal health care applications, and any other tasks related to the administration of the universal health care system.

1 NEW SECTION. **Sec. 6.** The department is responsible for collecting
2 copays from patients as a percentage of the total medical costs being
3 billed. This percentage is based on the patient's income, adjusted for
4 inflation, as follows: No copay for anyone making less than sixty
5 thousand dollars per year, twenty-five percent copay for anyone making
6 sixty thousand dollars to seventy-five thousand dollars per year, fifty
7 percent copay for anyone making seventy-five thousand one dollars to
8 one hundred thousand dollars per year, and seventy-five percent copay
9 for anyone making more than one hundred thousand dollars per year. The
10 patient may either choose to pay the amount at the time of visit or opt
11 to have the department send him or her a bill for the copay amount to
12 the patient's billing address. If paid upfront to the medical service
13 provider, such as a doctor's office, hospital, or pharmacy, the medical
14 service provider is responsible for collecting that fee and sending
15 payment for the same amount to the department along with the patient's
16 universal health care application form. If the patient decides to be
17 billed for the copay, then she or he must specify that on the form,
18 accompanied by a separate signature, in order to prevent potential
19 copay collection fraud on the part of the medical service provider. If
20 the patient is under eighteen years of age, no copays apply regardless
21 of income. Patients who habitually fail to pay their copays may be
22 sued by the state if the amount of past-due funds is equal to or
23 greater than five thousand dollars, if the amount has been past-due for
24 more than two years, if the patient has not made good-faith payments or
25 adhered to payment arrangements made with the state, and if the patient
26 has not demonstrated any extenuating circumstances preventing the
27 patient from making adequate payments.

28 NEW SECTION. **Sec. 7.** All products and services that are medically
29 necessary as determined by doctors and nurses in the medical community
30 are covered by universal health care. These include, but are not
31 necessarily limited to: Rehabilitative, long-term, and home care,
32 prenatal care, mental health care, prescription drugs, over-the-counter
33 medications that are prescribed by a doctor and purchased at a pharmacy
34 within the state of Washington, medical supplies, drug and alcohol
35 treatment, necessary surgery, ambulance transport, preventive care, and
36 public health measures. The department is responsible for determining
37 whether or not a product or service is deemed medically necessary by
38 the medical community at large. In the event of conflict or

1 uncertainty as to whether or not a product or service is deemed
2 medically necessary by the medical community at large resulting in
3 disagreement between the patient, medical service provider, and the
4 department, regarding whether or not the medical product or service
5 should be covered by universal health care, a judge in the county of
6 jurisdiction shall make that determination. Either party may appeal
7 the decision within thirty days of the decision to the superior court
8 of Thurston county by petition setting forth the medical product or
9 service, any statements from doctors or nurses involved, and the nature
10 of and grounds for the objection or objections to the judge's ruling.
11 In the event that a medical product or service has been provided prior
12 to eligibility being denied, the medical service provider is still
13 guaranteed full payment from the department, provided that the
14 ineligibility is not due to any billing errors, unintentional or
15 deliberate, on the part of the medical service provider. In the event
16 that a medical service provider is paid for a service that a patient
17 does not qualify to be covered for, the patient shall be responsible
18 for repaying the department one hundred percent of the amount billed,
19 plus twenty-five percent annual interest if the patient is determined
20 to be at fault for the error. If fraud is suspected on the part of the
21 patient or the medical service provider resulting in denial of
22 eligibility, the matter shall be fully investigated and potentially
23 forwarded to the attorney general's office for prosecution.

24 NEW SECTION. **Sec. 8.** The following medical products and services
25 are among those not covered by universal health care: Elective
26 surgery, herbal supplements, drugs not approved by the federal food and
27 drug administration, care that is primarily religious or spiritual in
28 nature, and any other product or service that is not medically
29 necessary.

30 NEW SECTION. **Sec. 9.** Patients who opt to bill the universal
31 health care system must provide the following information on a single
32 form: Full legal name, mailing address, or if patient is homeless "no
33 address", billing address, state driver's license number or social
34 security number, estimated annual income, date of birth, phone number
35 if patient has one, name of employer, occupation, patient's signature,
36 and type of medical service, such as cardiac, dental, ocular, or
37 prescription drugs from a pharmacy, or procedure, such as surgery, CT

1 scan, X-ray, blood test, or examination, being sought. On the same
2 form, the medical service provider must clearly identify itself, the
3 name of the individual filling out that part of the form on behalf of
4 the medical service provider along with a signature from that
5 individual, and any applicable details relating to the patient's visit.
6 When the patient returns the completed form to the medical service
7 provider, she or he is required to provide photo identification with
8 it. The medical service provider is then responsible for copying or
9 digitally scanning the photo identification and including the copy with
10 the form. If the patient does not have valid photo identification, the
11 medical service provider must take a clearly identifiable color photo
12 of the patient and include that with the form in place of photo
13 identification. This is designed to assist the department in deterring
14 and investigating fraudulent applications. The medical service
15 provider is responsible for providing this signed and completed form to
16 the department within thirty days of the visit. If the application is
17 missing any required information, including photo and signature,
18 payment to the medical service provider shall be denied. If the form
19 is not filled out completely or correctly by the patient in a manner
20 that could result in denial of payment from the department, the medical
21 service provider is not obligated to accept the application and may
22 require the patient to fill it out correctly before being granted
23 service, unless it is a medical emergency. In the event of a medical
24 emergency, the application may be filled out later by the patient or by
25 someone legally acting on behalf of the patient at the earliest
26 reasonable time. All universal health care applications must be
27 randomly verified in a timely manner by the department. This
28 verification process must be completed without requesting additional
29 documentation from the medical service provider or the patient unless
30 there is a suspicious discrepancy that needs to be investigated in more
31 detail. In addition, all first-time applications must undergo this
32 verification process to ensure that correct information is being
33 provided, such as name and income. Once verification is complete, the
34 department must send to the patient via United States mail a universal
35 health card. This card must contain the following patient information:
36 Photo, full legal name, required copay percentage based on income, card
37 expiration date of one year from the date that the universal health
38 care application was filled out by the patient, billing address, phone
39 number, a unique universal health care patient identification number,

1 and date of birth. In order to reduce the number of copay errors, the
2 background on each universal health card must be color-coded based on
3 the patient's income-determined copay percentage as follows: Green for
4 no copay, blue for twenty-five percent copay, yellow for fifty percent
5 copay, and white for seventy-five percent copay. This required color
6 coding may not be construed as an acceptable substitute for the card
7 also stating the copay percentage in print form. The patient is
8 required to sign the back of this card for it to be considered valid.
9 This card may be supplied to any medical service provider for any
10 medically necessary products, services, and prescription drugs in place
11 of a universal health care application. The medical service provider
12 is then responsible for filling out a separate universal health care
13 card billing form with the information on the universal health card.
14 If a patient notices an error on his or her universal health card, or
15 if the card is lost or stolen, then she or he is responsible for
16 contacting the department as soon as possible to request a replacement
17 card. There is no limit to the amount of medically necessary coverage
18 a patient may have billed to the department. If a patient fills a
19 prescription to be billed to universal health care with generic
20 substitution allowed by the patient's doctor, the pharmacy is required
21 to fill that prescription with the least expensive equivalent generic
22 available in order to minimize the cost to the taxpayers. If a generic
23 substitution is not authorized by the patient's doctor on the
24 prescription, the pharmacy must include, with the universal health care
25 billing request, universal health care application, or universal health
26 care card billing form, the brand name and price of the least expensive
27 available generic equivalent stocked by the pharmacy. The department
28 shall bill the company that produces the more expensive brand name drug
29 that was filled for the difference between the cost of the more
30 expensive drug and the least expensive available generic on hand. The
31 department may sue the drug company if this bill is not paid in full
32 within one year.

33 NEW SECTION. **Sec. 10.** Medical products and services not already
34 paid for during the period of January 1, 2004, to January 1, 2007, may
35 be billed to the department by a patient filling out a special
36 universal health care grandfather clause form prior to January 1, 2008.
37 This form must contain all the same information as the standard
38 universal health care application form, including information from the

1 medical service provider. All medical service providers in the state
2 of Washington are responsible for supplying this form and forwarding it
3 to the department until January 1, 2008. All universal health care
4 grandfather clause forms must be verified by the department. If a
5 medical expense has already been partially paid, the department shall
6 pay only the remaining balance. If a medical expense has been
7 forwarded to a collection agency, the department shall assume the debt
8 upon verification of the application form including information from
9 the medical service provider and the collection agency. If a
10 collection agency fails to provide information necessary to
11 verification in a timely fashion, the department shall make payment
12 directly to the medical service provider and the patient will no longer
13 be liable for any debt relating to this expense.

14 NEW SECTION. **Sec. 11.** The department is responsible for
15 coordinating with other state agencies in investigating universal
16 health care application fraud, including but not limited to: Providing
17 a false name, social security number, or state identification number;
18 submitting a universal health care application by a patient who is not
19 a legal resident of the state of Washington; deliberately providing
20 false information on a universal health care application, including
21 income; reselling medical products or services paid for by universal
22 health care by a patient; deliberately billing the department for
23 products or services not provided to the patient or for monetary
24 amounts exceeding the universal health care price structure as outlined
25 in this chapter; and attempting to use the name of a legal resident of
26 the state of Washington in order to obtain universal health care-
27 covered medical products or services to someone who is not a legal
28 resident of the state of Washington. Universal health care fraud by an
29 individual or medical service provider is a felony punishable by up to
30 three years in prison and up to a two hundred fifty thousand dollar
31 fine.

32 NEW SECTION. **Sec. 12.** When billing the department, the medical
33 service provider must adhere to a specific price structure for any
34 service provided to the patient. This price schedule shall be
35 equivalent to that developed by the state department of social and
36 health services. If the department of social and health services does
37 not have a set price for a particular product or service, the price

1 shall be set to whatever the federal medicare program specifies. Any
2 medical service provider in the state of Washington may optionally bill
3 the department for services covered by a patient's private insurance
4 company. The department is then responsible for billing the private
5 insurance company. If coverage is denied by the private insurer, the
6 department shall pay fifty percent of the billed amount to the medical
7 service provider. If the insurer does pay, the department shall pay
8 ninety-five percent of that payment to the medical service provider.
9 Medical service providers may bill private insurers directly if they
10 prefer, but will not be eligible for any guaranteed payment if they do
11 and the private insurer decides to deny coverage.

12 NEW SECTION. **Sec. 13.** The state legislature is solely responsible
13 for providing adequate funding to the department. In the event that
14 the department's budget is insufficient to provide the full range of
15 services outlined in this chapter to every single legal resident of the
16 state of Washington who requests them, the department can and must use
17 money from the state general fund once their department funds have been
18 exhausted, then provide a detailed public report explaining why they
19 were unable to operate within their specified budget.

20 NEW SECTION. **Sec. 14.** The executive head and appointing authority
21 of the department is the director. The director shall be appointed by
22 the governor, with the consent of the senate, and shall serve at the
23 pleasure of the governor. The director shall be paid a salary to be
24 fixed by the governor in accordance with RCW 43.03.040. If a vacancy
25 occurs in the position while the senate is not in session, the governor
26 shall make a temporary appointment until the next meeting of the
27 senate.

28 NEW SECTION. **Sec. 15.** It is the intent of the legislature
29 wherever possible to place the internal affairs of the department under
30 the control of the director in order that the director may institute
31 therein the flexible, alert, and intelligent management of its business
32 that changing contemporary circumstances require. Therefore, whenever
33 the director's authority is not specifically limited by law, the
34 director has complete charge and supervisory powers over the
35 department. The director may create such administrative structures as
36 the director considers appropriate, except as otherwise specified by

1 law. The director may employ such assistants and personnel as
2 necessary for the general administration of the department. This
3 employment shall be in accordance with the state civil service law,
4 chapter 41.06 RCW, except as otherwise provided.

5 NEW SECTION. **Sec. 16.** Except as otherwise specified or as federal
6 requirements may differently require, divisions may be established and
7 organized in accordance with plans to be prepared by the director and
8 approved by the governor. In preparing such plans, the director shall
9 endeavor to promote efficient public management, to improve programs,
10 and to take full advantage of the economies, both fiscal and
11 administrative, to be gained from the consolidation of functions and
12 agencies under this chapter.

13 NEW SECTION. **Sec. 17.** The director shall appoint a deputy
14 director, a department personnel director, and such assistant directors
15 as may be needed to administer the department. The deputy director
16 shall have charge and general supervision of the department in the
17 absence or disability of the director and, in case of a vacancy in the
18 office of director, shall continue in charge of the department until a
19 successor is appointed and qualified, or until the governor appoints an
20 acting director.

21 NEW SECTION. **Sec. 18.** Any power or duty vested in or transferred
22 to the director by law or executive order may be delegated by the
23 director to the deputy director or to any other assistant or
24 subordinate; but the director shall be responsible for the official
25 acts of the officers and employees of the department.

26 NEW SECTION. **Sec. 19.** The director may appoint such advisory
27 committees or councils as may be required by any federal legislation as
28 a condition to the receipt of federal funds by the department. The
29 director may also appoint statewide committees or councils on such
30 subject matters as are or come within the department's
31 responsibilities. The statewide committees and councils shall have
32 representation from all major political parties and shall have
33 substantial consumer representation. The committees or councils shall
34 be constituted as required by federal law or as the director may
35 determine. The members of the committees or councils shall hold office

1 as follows: One-third to serve one year; one-third to serve two years;
2 and one-third to serve three years. Upon expiration of the original
3 terms, subsequent appointments shall be for three years except in the
4 case of a vacancy, in which event appointment shall be only for the
5 remainder of the unexpired term for which the vacancy occurs. No
6 member may serve more than two consecutive terms.

7 Members of such state advisory committees or councils may be paid
8 their travel expenses in accordance with RCW 43.03.050 and 43.03.060.

9 NEW SECTION. **Sec. 20.** In furtherance of the policy of the state
10 to cooperate with the federal government in all of the programs under
11 the jurisdiction of the department, such rules as may become necessary
12 to entitle the state to participate in federal funds may be adopted,
13 unless expressly prohibited by law. Any internal reorganization
14 carried out under the terms of this chapter shall meet federal
15 requirements that are a necessary condition to state receipt of federal
16 funds. Any section or provision of law dealing with the department
17 that may be susceptible to more than one construction shall be
18 interpreted in favor of the construction most likely to comply with
19 federal laws entitling this state to receive federal funds for the
20 various programs of the department. If any law dealing with the
21 department is ruled to be in conflict with federal requirements that
22 are a prescribed condition of the allocation of federal funds to the
23 state, or to any departments or agencies thereof, the conflicting part
24 is declared to be inoperative solely to the extent of the conflict.

25 NEW SECTION. **Sec. 21.** A new section is added to chapter 41.06 RCW
26 to read as follows:

27 In addition to the exemptions under RCW 41.06.070, the provisions
28 of this chapter shall not apply in the universal health care to the
29 director, the director's personal secretary, the deputy director, all
30 division directors and assistant directors, and one confidential
31 secretary for each of these officers.

32 **Sec. 22.** RCW 43.17.010 and 2005 c 333 s 10 are each amended to
33 read as follows:

34 There shall be departments of the state government which shall be
35 known as (1) the department of social and health services, (2) the
36 department of ecology, (3) the department of labor and industries, (4)

1 the department of agriculture, (5) the department of fish and wildlife,
2 (6) the department of transportation, (7) the department of licensing,
3 (8) the department of general administration, (9) the department of
4 community, trade, and economic development, (10) the department of
5 veterans affairs, (11) the department of revenue, (12) the department
6 of retirement systems, (13) the department of corrections, (14) the
7 department of health, (15) the department of financial institutions,
8 ((and)) (16) the department of archaeology and historic preservation,
9 which shall be charged with the execution, enforcement, and
10 administration of such laws, and invested with such powers and required
11 to perform such duties, as the legislature may provide, and (17) the
12 department of universal health care.

13 **Sec. 23.** RCW 43.17.020 and 2005 c 333 s 11 and 2005 c 319 s 2 are
14 each reenacted and amended to read as follows:

15 There shall be a chief executive officer of each department to be
16 known as: (1) The secretary of social and health services, (2) the
17 director of ecology, (3) the director of labor and industries, (4) the
18 director of agriculture, (5) the director of fish and wildlife, (6) the
19 secretary of transportation, (7) the director of licensing, (8) the
20 director of general administration, (9) the director of community,
21 trade, and economic development, (10) the director of veterans affairs,
22 (11) the director of revenue, (12) the director of retirement systems,
23 (13) the secretary of corrections, (14) the secretary of health, (15)
24 the director of financial institutions, ((and)) (16) the director of
25 the department of archaeology and historic preservation, and (17) the
26 director of universal health care.

27 Such officers, except the director of fish and wildlife, shall be
28 appointed by the governor, with the consent of the senate, and hold
29 office at the pleasure of the governor. The director of fish and
30 wildlife shall be appointed by the fish and wildlife commission as
31 prescribed by RCW 77.04.055.

32 **Sec. 24.** RCW 42.17.2401 and 2005 c 424 s 17 are each amended to
33 read as follows:

34 For the purposes of RCW 42.17.240, the term "executive state
35 officer" includes:

36 (1) The chief administrative law judge, the director of
37 agriculture, the administrator of the Washington basic health plan, the

1 director of the department of services for the blind, the director of
2 the state system of community and technical colleges, the director of
3 community, trade, and economic development, the secretary of
4 corrections, the director of ecology, the commissioner of employment
5 security, the chair of the energy facility site evaluation council, the
6 secretary of the state finance committee, the director of financial
7 management, the director of fish and wildlife, the executive secretary
8 of the forest practices appeals board, the director of the gambling
9 commission, the director of general administration, the secretary of
10 health, the administrator of the Washington state health care
11 authority, the executive secretary of the health care facilities
12 authority, the executive secretary of the higher education facilities
13 authority, the executive secretary of the horse racing commission, the
14 executive secretary of the human rights commission, the executive
15 secretary of the indeterminate sentence review board, the director of
16 the department of information services, the director of the interagency
17 committee for outdoor recreation, the executive director of the state
18 investment board, the director of labor and industries, the director of
19 licensing, the director of the lottery commission, the director of the
20 office of minority and women's business enterprises, the director of
21 parks and recreation, the director of personnel, the executive director
22 of the public disclosure commission, the director of retirement
23 systems, the director of revenue, the secretary of social and health
24 services, the chief of the Washington state patrol, the executive
25 secretary of the board of tax appeals, the secretary of transportation,
26 the secretary of the utilities and transportation commission, the
27 director of veterans affairs, the president of each of the regional and
28 state universities and the president of The Evergreen State College,
29 each district and each campus president of each state community
30 college, the director of universal health care;

31 (2) Each professional staff member of the office of the governor;

32 (3) Each professional staff member of the legislature; and

33 (4) Central Washington University board of trustees, board of
34 trustees of each community college, each member of the state board for
35 community and technical colleges, state convention and trade center
36 board of directors, committee for deferred compensation, Eastern
37 Washington University board of trustees, Washington economic
38 development finance authority, The Evergreen State College board of
39 trustees, executive ethics board, forest practices appeals board,

1 forest practices board, gambling commission, life sciences discovery
2 fund authority board of trustees, Washington health care facilities
3 authority, each member of the Washington health services commission,
4 higher education coordinating board, higher education facilities
5 authority, horse racing commission, state housing finance commission,
6 human rights commission, indeterminate sentence review board, board of
7 industrial insurance appeals, information services board, interagency
8 committee for outdoor recreation, state investment board, commission on
9 judicial conduct, legislative ethics board, liquor control board,
10 lottery commission, marine oversight board, Pacific Northwest electric
11 power and conservation planning council, parks and recreation
12 commission, personnel appeals board, board of pilotage commissioners,
13 pollution control hearings board, public disclosure commission, public
14 pension commission, shorelines hearing board, public employees'
15 benefits board, salmon recovery funding board, board of tax appeals,
16 transportation commission, University of Washington board of regents,
17 utilities and transportation commission, Washington state maritime
18 commission, Washington personnel resources board, Washington public
19 power supply system executive board, Washington State University board
20 of regents, Western Washington University board of trustees, and fish
21 and wildlife commission.

22 NEW SECTION. **Sec. 25.** Sections 1 through 20 of this act
23 constitute a new chapter in Title 43 RCW.

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